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OFFICIAL ROUTING SLIP

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TO	NAME AND ADDRESS	DATE	INITIALS
1	[REDACTED]	3/12	ff
2	[REDACTED]	3/5	24
3	Mr. Yale	3/10	7
4	[REDACTED]		
5	[REDACTED]		
6			

<input type="checkbox"/> ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> PREPARE REPLY
<input type="checkbox"/> APPROVAL	<input type="checkbox"/> DISPATCH	<input type="checkbox"/> RECOMMENDATION
<input type="checkbox"/> COMMENT	<input type="checkbox"/> FILE	<input type="checkbox"/> RETURN
<input type="checkbox"/> CONCURRENCE	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE

Remarks:

Tom: a thoughtful and timely paper. I took a careful look + discussion.

my

Cy. returned by Sick.

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FROM: NAME, ADDRESS AND PHONE NO.

DATE

Accounts and Analysis Division

8 MAR 1976

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3 March 1976

MEMORANDUM FOR: Chief/Accounts and Analysis Division/
Office of Finance

SUBJECT : Reorganization

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1. I have read yours and [REDACTED] proposed reorganization rationale with interest. There is one change to your organizational chart and one major difference I have with Al's comments.

2. The thoughts pertaining to Analysis and Planning endeavors going "hand-in-glove" are very refreshing. The continual dialogue that transpires during system development can prove most beneficial to those charged with regulatory process prior to system implementation or enhancements to ongoing systems. Case in point is the many procedural and regulatory changes due to payroll enhancements. Probably even more important is the benefit afforded the systems training officer through close association of the two groups, Analysis and Planning. Systems efforts performed by the two branches on your chart (S&A/R&P) must be congruent and, therefore, I feel can best be utilized by combining the two units. This approach follows more along the lines reflected by [REDACTED] chart.

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3. I am in complete disagreement with [REDACTED] comments directed at anticipated future systems efforts. Systems of the magnitude of GAS and Payroll are never implemented, and then walked away from a turn-key approach. These systems need constant maintenance and review. We on the GAS Team know of several desirable as well as needed modifications after Stage II. During these modifications traditional PS officers must be involved from a procedural and regulatory point of view. No, I very much disagree; systems work is here to stay in Finance as long as there are people thinking of better ways to get from A to Z.

4. The one important point I feel must be emphasized during this opportunity for reorganization is the removal of systems functions from a line posture. In order to serve all OF functional areas equitably, the systems group should operate at a staff level. Without this I believe we should entertain decentralization of this effort.

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MEMORANDUM FOR: Mr. Yale

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SUBJECT : Reorganization of Accounts and Analysis
Division

Attached is a "think piece" (Attachment A) that I wrote and distributed to:

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(Attachment B)
(Attachment C)
(Attachment D)

Also attached are their thoughts on the subject. I thought it would be informative to present the package to you in this format in order to feel you out if you desire us to spend the time to formalize the memorandum into a plan that would be incorporated into the program call. Please advise.

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Chief
Accounts and Analysis Division
Office of Finance

Addendum:

I would like to make just a couple of general comments in regard to Al's contribution.

We have projected (to the DDA in our MBO exercise) that the Office of Finance will have contributed twelve man years in FY 76 to the development of GAS. It is my estimation that a large portion of that effort was related to the "gray area" between the analysis function and planning staff function, i.e. form design, output specs, coding guide, transactions codes, user training, ad infinitum. It

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should be noted also that PRA and payroll procedures (FLSA, city tax, etc.) have been performed by the Analysis Branch since resources were not available in Planning Staff. With the exception of [REDACTED] these dual efforts (Analysis/Planning) were performed by the Analysis Branch, therefore I don't understand Al's statement of only 25% Planning Staff activities related to Systems. It would appear to me that at least four man years of GAS can be attributed to "Planning Staff" type of responsibilities and other project work performed by the Analysis Branch.

The second point is that I see no decrease in systems activities over the next decade. We have just begun to scratch the surface. GAS is not going to disappear in October and we have much work to be done on such projects as C&L invoice payments, PRA or direct funding, revised or new payroll system, Agent pay, CIARDS, utilization of mini computers, overseas reporting via AFT, etc.

For the above reasons, I see it vital that the analysis and planning functions be combined.

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MEMORANDUM FOR: The Record

SUBJECT : Reorganization of Accounts and Analysis
Division

For some time, I have been contemplating the reorganization plan for Accounts and Analysis Division. As the GAS system approaches the final stages of development, it is now easier to foresee the impact that this system is going to have on the Office of Finance, ergo I believe it appropriate to present my ideas at this time.

We have already interchanged many functions which were previously done by the old SIPS Group. Computer technology is no longer a mystery to us and we, as users, now desire to design as well as manage our own projects. We also desire, once projects are operational, to be in full control of our Data Base even though it may cross organizational lines. To fully adapt to this revolution that has been and is taking place, we must adapt to the changes by reorganizing our resources to meet the challenge.

In order to put this reorganization in the proper perspective, I have attached a proposed organizational chart that should enable us to accomplish our future objectives. As a matter of comparison, I have also attached what the Accounts Division T/O looked like ten years ago as well as the current staffing complement. It is only by comparing these organizational structures that the real impact of the change that has occurred is visible. It is quite evident that the old Accounts Division has virtually disappeared

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(with the exception of the proposed Audit Branch). In its place, we have a proposed organization that is more oriented to financial management than accounting control. (The controls are being built in the systems.) The first impression of the proposed organization may be that it is top-heavy in the grade structure, however, it should be recognized that major functions, such as planning, systems development and data base management, require high-level professional management. As full mechanization takes place, menial tasks are eliminated and upper level controls and functions are improved. Overall, we are only proposing three additional positions from our previously accepted T/O submitted with the last program call. These positions can primarily be attributed to the Systems and Analysis Branch; it must be recognized that we have been assuming, and will continue to assume more responsibilities formerly performed by OJCS. The new organization also implies a change in the title of [REDACTED] job, however, I feel this is appropriate since I believe his job entails much more than Plans and Systems. It is proposed that this organization would still report to him with a different title for his position.

Perhaps a major change over previous discussions we have had on this matter is the consolidation of the Planning Staff within this organization. It is my belief that the Planning Staff has also changed its major thrusts in the past decade from a "technical accounting" staff to primarily a supportive role in systems development. This change implies that

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it should be organizationally related to the systems function. The above does not mean that there are not other functions not related to systems work in Planning Staff, but I am referring to the primary thrust. It is my belief that the major emphasis is going to evolve around the ability to cope with the dynamic changes taking place in systems.

I also believe that the integration of GAS/FRS is going to give the Office of Finance a comptroller-type function as far as financial management is concerned. This concept seems to be consistent with Mr. Colby's memorandum on the Director of Finance responsibilities. As stated before, the major thrust of this organization is the user's responsibility in systems related activities and the continued effort to optimize these systems in order to do more with less. It is contemplated that this will continually be a changing organization. For example, a decentralization of data entry, as now contemplated, could eliminate or change a couple of positions in the Data Management Branch. It should also be recognized that this proposed organization will perform the systems and analysis work for all the other line divisions and staffs in the Office of Finance. The organization also implies a much stronger breed of specialists than existed in the past. I am quite proud of the progress we have made in this area, and I believe that this specialist concept is accepted by upper-level management. "The age of the specialist is here."


In conclusion, I believe it is now time to accept this type of change if we are going to effectively accept the

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challenge of the future.

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Chief
Accounts and Analysis Division
Office of Finance

Addendum: I would also like to make the candid statement that these changes would help to put the Office of Finance back on par with some of our peers in other DDA components. Over a period of years, other line Divisions in other components have gone to super grade levels while Finance has remained stagnant.

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MEMORANDUM FOR: C/A&AD/OF

FROM : C/Planning Staff

1. This memorandum supercedes the previous thought which I expressed to you (I prepared the previous memo hastily and without much thought - I've now thought about and worked on this at home - the previous memo should be destroyed) concerning the reorganization which you propose. I agree with your philosophy that any new organizational structure should provide for a closer relationship between Systems work and Planning Staff work. I disagree with your proposal that these two staff-type functions be placed in an operating line division. I disagree with your statement that the Planning Staff's major thrust has shifted to a role which is "primarily a supportative role in systems development". Such a statement has to be based on a lack of knowledge of PS's functions because 75% of our effort is expended in direct support of the DD/P&S and D/OF on matters related to policy, procedures and communicating to others how such policy and procedures are to be applied. The remaining 25% of PS effort is expended in support of systems development. I can see for the future no substantial change in the Planning Staff's major functions because regardless of the mechanics used for recording and reporting financial transactions our primary concern will continue to be related to the implementation of policy, assisting in the development and application of employees' entitlements (travel, allowances, etc.) and producing the written material required to communicate financial policy and procedures as approved by the Director of Finance.

2. In my view, any reorganization must not interpose an additional layer of command between the Planning Staff and the DD/P&S and D/OF. We need no new obstruction to getting into print the material we produce. A review of HR 1 shows that in office structure throughout the DDA, staffs have direct access to the top managers.

3. Although it would be nice to have an additional supergrade in OF, I am more concerned with filling my vacant GS-14 and GS-13 positions than I am with acquiring two additional bosses with whom my work would have to be cleared. If competent officers are not available to fill all our currently authorized positions, one must wonder just how beneficial another position at the command level would be. We may need more "doers" and less commanders. If decentralization of finance activities continues, there would appear

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to be little requirement for another supergrade within the Office of Finance and we may be hard pressed to retain those positions we have now. When GAS does become fully operational, and if it works as well as we hope it will, that massive systems effort will be finished and except for some refinements - such as optical scanning - the need for systems work may very well diminish to a point substantially below the current level of effort. I have decided not to take the time to draw up a suggested organization chart.

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Chief
Planning Staff

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